½ Penny FAQs

Q. How much additional revenue will be generated?

A. Based on the current year's budget, 1/2 penny is estimated to generate $4 million dollars annually

Q. Where will the additional revenues be used?

A. The additional 1/2 penny will be divided with 35% going to Police Services, 35% to Fire Services and 30% to the Street Department.

Q. When will the election be?

A. January 13, 2015

Q. When will the new tax take affect?

A. April 1, 2015

Q. How can you guarantee the money will go to police, fire and streets?

A. The ballot language and ordinance will outline specifically where the new revenues will be used and how they can be spent. It would be illegal to utilize these revenues for anything other than what is specified.

Q. Will the city reduce the General Fund allocation to police, fire and streets since they will be receiving funding from this new sales tax?

A. No. The intent of the City Council is to maintain the approved FY 2014-15 budgets funding level for the Police Department, Fire Department, and Streets Department, while giving each of these departments additional increases in funding from the new 1/2 penny.

Q. What can police, fire and streets spend the new money on?

A. The monies will be available for any need, capital or operations, for each of the departments. Each department will have the ability to address their specific needs each year for additional staff, equipment, training, facilities, etc.

Q. If police, fire and streets do not spend all the additional revenue each year do they keep the excess money or will the city re-allocate the funds?

A. The money will roll over from one fiscal year to the next in police, fire and streets to allow each of the affected departments to budget and forecast needs for higher cost items and/or facilities.

Q. How will this proposal benefit the city and Citizens of Owasso?

A. The initiative, if approved by voters, will establish a dedicated revenue source for police, fire and streets. The increase in revenues will allow for the hiring of additional police, fire, and streets personnel, as well as allow each of those divisions to prepare for the future in order to keep up with the growth of Owasso.

Q. How much of the sales tax is paid by people who are not from Owasso?

A. Between 60% and 70% of Owasso's sales tax comes from those living outside of Owasso. This community's "funnel effect" is a result of people from all over green country traveling through Owasso on their way to other destinations. Tremendous retail opportunities are created because of the high amount of traffic funneled through Owasso by US Hwy. 169, State Hwy 20 and Highway 75. Thus, more than one-half of all of the cost for capital projects, such as fire stations and streets will be paid for by people who do not live here, but shop in our community.

Q. Who can vote?

A. All registered voters residing in the City Limits of Owasso.

Q. Is this a new tax?

A. Yes, this would be an additional 1/2 penny in sales tax, over what is currently collected.

Q. When does the tax expire?

A. There is no sunset or expiration on the proposed 1/2 penny increase.

Q. Why is the tax permanent?

A. If the tax were to expire, police, fire and street departments would not be able to continue to fund the projects and personnel they had added. Each of the affected departments could potentially be forced to lay off employees due to funding shortfalls. Essentially this would put Owasso back into the undesirable situation the community is currently facing.

Q. Why do you want to use sales tax?

A. Oklahoma is currently the only state in the U.S. that statutorily mandates municipalities to fund their general funds with sales tax as the only revenue source. Owasso currently collects no property tax for municipal needs.

Q. Why not pass a bond issue and use property taxes?

A. General Obligation bonds utilizing ad valorem or property taxes can only be used for capital items such as equipment or construction of a project, not on personnel and operational expenses.